



1050 Thomas Jefferson Street, NW - Sixth Floor
Washington, D.C. 20007 (202) 298-1844 fax (202) 338-2416

March 31, 2000

The Honorable Kay Bailey Hutchison
Chairman, Subcommittee on Surface Transportation
and Merchant Marine
Committee on Commerce, Science and Transportation
United States Senate
Washington, DC 20510

Dear Chairman Hutchison:

On behalf of the members of Consumers United for Rail Equity (C.U.R.E.), I would like to express our appreciation for the oversight hearing that you held on March 23rd regarding the Surface Transportation Board's (STB) recent decision to issue a 15 month moratorium on rail mergers and the STB's proposed rulemaking proceeding to address possible modifications to its regulations governing proposals for major rail consolidations.

As you know there has been a significant amount of interest expressed in this issue. The hearings that the STB held in early March attracted close to 150 witnesses and the STB received statements from twice that number of interested parties. Rail customers, like those represented by C.U.R.E., are concerned about the consolidations occurring in the rail industry and the impact that these consolidations are having on competition in the industry.

We encourage the Committee to schedule a series of hearings on these important issues to build upon the record established in the March 23rd oversight hearing. Much of the testimony received by the STB earlier this month focused on concerns that rail customers have with rail service. For those entities that have no option but to ship by rail, this is a very serious concern. We believe that increased competition in the rail industry will help to address many of these service problems. Additional hearings will help the members of the Committee determine the best way to address the concerns of rail customers while considering the best policy for our nation regarding rail mergers and consolidations.

C.U.R.E. would welcome the opportunity to participate in further hearings the Committee may schedule.

Sincerely,

Bruce A. Beam
Chairman